

**BOARD OF EDUCATION  
SPECIAL AND REGULAR MEETING MINUTES**

**August 21, 2006**

The special meeting of the Board of Education of the Portage Public Schools held on Monday, August 21, 2006, was called to order at 5:30 p.m. by President Shirley Johnson in the Professional Development Center of the Administration Building, 8111 S. Westnedge.

Board Trustees Present: Tom Eddy, Shirley Johnson, Linda Lueth, Wendy Mazer, Deb Polderman, and Jennifer Whistler

Board Trustees Absent: Kathy Howland

The Board discussed the Michigan Association of School Boards area representatives running for office and the ballot process, the District goals draft, and planning related to the Superintendent search.

A motion was offered by Mrs. Polderman, supported by Mrs. Whistler, that the Board of Education move into closed session for the purposes of discussing negotiations. Motion carried unanimously.

The Board moved into closed session at 6:27 p.m.

The Board returned to open session at 7:25 p.m.

The regular meeting of the Board of Education of the Portage Public Schools held on Monday, August 21, 2006, was called to order at 7:33 p.m. by President Johnson in the Community Room of the Administration Building, 8111 S. Westnedge. She welcomed an audience of 6 people and all in attendance recited the Pledge of Allegiance.

Mrs. Whistler requested a moment of silence in the memory of three students that died as a result of the recent car crash.

A motion was offered by Mrs. Whistler, supported by Mrs. Lueth, that the minutes of the July 24, 2006 special and regular meetings and the August 2, 2006 retreat meeting be approved noting the amendment to the retreat meeting minutes. Motion carried unanimously.

President Johnson stated that the next order of business was to hold a public hearing on NOT providing breakfast service at Woodland Elementary and West Middle School for the 2006-07 school year. She therefore declared the meeting open for public hearing. She invited anyone wishing to address the Board with questions and/or comments regarding the breakfast service to do so. No one came forward. President Johnson declared the public hearing on NOT providing breakfast service at Woodland Elementary and West Middle School closed.

A motion was offered by Mrs. Lueth, supported by Mrs. Whistler, that the Board of Education cast a ballot for the following MASB Board of Directors: Group V, three-year term, Debbie Squires. Motion carried unanimously.

A motion was offered by Mr. Eddy, supported by Mrs. Lueth, that the Board of Education approve the 2006-07 countywide Schools of Choice Agreement. Motion carried unanimously.

A motion was offered by Mrs. Lueth, supported by Mrs. Polderman, that the Board of Education accept the proposal of Charter One Bank for a six year tax exempt term loan in the amount of \$423,153.98 at a fixed interest rate of 3.957% and authorize the Assistant Superintendent for Operations to execute all necessary documents. Motion carried unanimously.

A motion was offered by Mrs. Lueth, supported by Mrs. Whistler, that the Board of Education adopt the resolution which authorizes the issuance of an installment purchase contract for bus financing and names certain individuals as authorized to execute this financing agreement.

PORTAGE PUBLIC SCHOOLS  
COUNTY OF KALAMAZOO, STATE OF MICHIGAN

RESOLUTION AUTHORIZING INSTALLMENT  
PURCHASE AGREEMENT

Minutes of a regular meeting of the Board of Education of the Portage Public Schools, County of Kalamazoo, State of Michigan, held on the 21st day of August, 2006, at 7:30 o'clock p.m., Eastern Daylight Time.

PRESENT: Members: \_\_\_\_\_  
\_\_\_\_\_

ABSENT: Members \_\_\_\_\_

The following preamble and resolution were offered by Member \_\_\_\_\_ and supported by Member \_\_\_\_\_:

WHEREAS, the Board of Education of the Portage Public Schools, County of Kalamazoo, State of Michigan (the "School District") determines it to be necessary for the public health, safety and welfare of the School District and its residents to acquire five (5) 71 passenger Bluebird "Vision" school buses and one (1) Bluebird "Vision" Special Needs lift equipped school bus (the "Equipment"); and

WHEREAS, after a competitive bidding process conducted through the MSBO, the School District has received a quote for the Equipment from Holland Bus Company in the amount of \$423,153.98; and

WHEREAS, under the provisions of Act No. 99, Public Acts of Michigan, 1933, as amended ("Act 99"), the School District is authorized to enter into any contracts or agreements for

the purchase of the Equipment to be paid for in installments over a period of not to exceed the useful life of the Equipment acquired as determined by resolution of the School District; and

WHEREAS, the outstanding balance of all purchases by the School District under Act 99, exclusive of interest, shall not exceed one and one quarter percent (1-1/4%) of the taxable value of the real and personal Equipment in the School District at the date of such contract or agreement; and

WHEREAS, the School District desires to finance the purchase of the Equipment in the amount of \$423,153.98 pursuant to an installment purchase agreement; and

WHEREAS, purchase of the Equipment pursuant to the installment purchase agreement will not result in the outstanding balance of all such purchases in excess of the limitation contained within Act 99 as set forth above; and

WHEREAS, the Business Manager has solicited bids from various financial institutions to arrange for the financing of the Equipment pursuant to the installment purchase agreement; and

WHEREAS, the bid of Charter One Bank, NA (the "Financial Institution"), has been determined to produce the lowest net interest cost to the School District for the financing of the installment purchase agreement; and

NOW THEREFORE, BE IT RESOLVED THAT;

1. The President, Secretary, Superintendent and Assistant Superintendent for Operations of the School District or their designee are each hereby authorized to execute the agreement which shall be substantially in the form attached hereto as Exhibit A, when in final form, and deliver it to the Financial Institution.
2. The useful life of the Equipment is hereby determined to be not less than six (6) years.
3. The Superintendent, Assistant Superintendent for Operations, Business Manager or their designee are each authorized to execute such additional documentation as shall be necessary to effectuate the closing contemplated by the agreement.
4. The School District hereby agrees to include in its budget for each year, commencing with the present fiscal year, a sum which will be sufficient to pay the principal of and the interest coming due under the agreement during such fiscal year.
5. The School District hereby designates its obligations under the installment purchase agreement as "qualified tax-exempt obligations" for purposes of deduction of interest expense by financial institutions under the provisions of the Internal Revenue Code of 1986, as amended.
6. The School District covenants that, to the extent permitted by law, it shall take all actions within its control necessary to maintain the exclusion of the interest component of the

payments due under the agreement from adjusted gross income for general federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"), including but not limited to, actions relating to the rebate of arbitrage earnings, if applicable.

7. The acquisition of the Equipment and the approval of the agreement hereby are found and declared to be for a valid public purpose and in the best interest of the health and welfare of the residents of the School District.

8. The representation of the School District by Miller , Canfield , Paddock and Stone, P.L.C. as note counsel is hereby approved, notwithstanding Miller Canfield's periodic representation of Charter One Bank, NA and other potential parties to the transaction in other matters.

9. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded to the extent of such conflict.

AYES: Members \_\_\_\_\_  
\_\_\_\_\_

NAYS: Members \_\_\_\_\_  
\_\_\_\_\_

RESOLUTION DECLARED ADOPTED.

\_\_\_\_\_  
Secretary

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Portage Public Schools, County of Kalamazoo, State of Michigan, at a regular meeting held on August 21, 2006, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

\_\_\_\_\_  
Secretary

EXHIBIT A

FORM OF  
INSTALLMENT PURCHASE AGREEMENT

THIS AGREEMENT, dated as of \_\_\_\_\_, 2006, by and between the Portage Public Schools, County of Kalamazoo, Michigan (the "School District"), Holland Bus Company (the "Vendor"), and Charter One Bank, NA (the "Bank"), is as follows:

1. Purchase Price, Title and Useful Life. The School District agrees to purchase and Vendor agrees to sell, provide and deliver five (5) 71 passenger Bluebird "Vision" school buses and one (1) Bluebird "Vision" Special Needs lift equipped school bus (the "Equipment") for the

sum of \$423,153.98 (the "Purchase Price"), payable in six (6) annual principal installments on July 15 of each year commencing July 15, 2007, in the amounts set forth on the attached Exhibit A. The Purchase Price may be prepaid, in whole or in part, upon payment of the prepaid principal and the prepayment penalty equal to 4 months interest.

The School District shall pay the Bank \$1,000 on the date hereof, and interest on the unpaid balance of the Purchase Price to the Bank as the assignee of this Agreement in accordance with Paragraph 2 hereof, at a rate of interest equal to 3.957% per annum from the date funds are delivered by the Bank as set forth in Section 3 hereof, computed on the basis of a 30 day month and a 360 day year, which interest shall be payable annually on July 15, commencing July 15, 2007 through the final date of payment of this Agreement, as set forth on Exhibit A. Upon delivery and acceptance by the School District, title to the Equipment shall vest in the School District. The School District agrees that the useful life of the Equipment is at least equal to or longer than the date of the final payment hereunder.

2. Assignment to Bank. The Vendor hereby irrevocably assigns this Agreement immediately to the Bank in consideration for a payment from Bank in the amount of the Purchase Price. The School District shall cause the Bank to pay the Vendor upon delivery of the Equipment. The School District hereby consents to said assignment, except with respect to the warranties and other obligations of the Vendor set forth in Paragraphs 3 through 6, inclusive, of this Agreement, all of which shall, except as provided in Paragraph 6, remain the sole responsibility of the Vendor and shall not be assignable. With respect to the Bank, the School District hereby waives any defenses based upon warranty, failure or inability of the Vendor to perform its non-assignable obligations or the failure of the Equipment to perform its intended function. The School District's obligation to the Bank is absolute and unconditional and shall remain in full force and effect until the amount of the Purchase Price together with interest thereon shall have been paid by the School District to the Bank, and such obligation shall not be affected, modified or impaired upon the happening from time to time of any event, including without limitation any of the following:

(a) Any failure of title with respect to the Vendor's or the School District's interest in the Equipment specified herein or the invalidity, enforceability or termination of this Agreement;

(b) The modification or amendment (whether material or otherwise) of any obligation, covenant or agreement set forth in this Agreement;

(c) The voluntary or involuntary liquidation, dissolution, sale or other disposition of all or substantially all of the assets, marshalling of assets and liabilities, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition with creditors or readjustment or other similar proceedings affecting the Vendor or any of its assets or any allocation or contest of the validity of this Agreement, or the disaffirmance of this Agreement in any such proceeding;

(d) To the extent permitted by law, any event or action which would, in the absence of this clause, result in release or discharge by operation of law of the Vendor

from the performance or observation of any obligation, covenant or agreement contained in this Agreement;

(e) The default or failure of the Vendor fully to perform any of its obligations set forth in this Agreement; or

(f) The sale, assignment or other disposition of the Equipment or if the School District determines not to use the Equipment for any reason.

It is expressly agreed between the Vendor, the School District and the Bank, by acceptance of the assignment of this Agreement, that the School District shall make all payments of principal and/or interest directly to the Bank.

The Vendor represents and warrants that the assignment to the Bank of this Agreement does not violate any agreement, contract or loan agreement to which it is a party, and that the Agreement has been duly executed and delivered by the Vendor.

3. Date of Acceptance. The date of acceptance for the Vendor shall have been the date when the Equipment has been delivered to the School District and the School District has accepted the delivery of the Equipment in writing. Upon acceptance, the School District shall notify the Bank, in writing, that the Bank shall immediately disburse the sums owing to the Vendor.

4. Warranty. Vendor warrants its Equipment as set forth in the specifications and pursuant to the manufacturer's warranties and warrants its assembly of the Equipment. Any warranties with respect to the Equipment shall not be assigned, but shall remain enforceable by the School District. The Bank makes no warranty as to the manufacture or assembly of the Equipment.

5. Entire Agreement. This Agreement and the documents expressly incorporated by reference herein constitute the entire agreement of the parties. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written, are hereby terminated.

6. Amendments. Any attempt to modify the terms of this Agreement or of any supporting document shall be ineffectual unless in writing, signed by all parties and the School District agrees to secure the consent of Bank to any such modifications, provided that the consent of the Vendor to the modification of any of the terms of payment by the School District to the Bank shall not be required.

7. Security and Tax Covenant. The obligation of the School District to pay principal and interest under this Agreement is a general obligation of the School District. The School District shall include in its budget and pay each year, until this Agreement is paid in full, such sum as may be necessary each year to make all payments hereunder, when due. The School District covenants that it shall comply with all requirements of the Internal Revenue Code of 1986, as

amended, that must be satisfied subsequent to delivery of this Agreement in order that interest thereon be (or continue to be) excluded from gross income for federal income tax purposes.

8. Legislative Authorization. This agreement is made in accordance with and pursuant to Act 99, Public Acts of Michigan, 1933, as amended.

9. Annual Audits. The School District agrees to provide the Bank with a copy of its annual audited financial statements for each year that this Agreement is outstanding.

10. Counterparts. This Agreement may be signed in any number of counterparts.

HOLLAND BUS COMPANY  
as Vendor

By: \_\_\_\_\_

Its: \_\_\_\_\_

PORTAGE PUBLIC SCHOOLS

By: \_\_\_\_\_

Its: \_\_\_\_\_

CHARTER ONE BANK, NA  
as Assignee

By: \_\_\_\_\_

Its: \_\_\_\_\_

EXHIBIT A

PRINCIPAL AND INTEREST PAYMENT SCHEDULE

<u>DATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
July 1			
2007			
2008			
2009			
2010			
2011			
2012			

Upon a roll call vote, all Trustees voted in favor of the resolution.

A motion was offered by Mrs. Polderman, supported by Mrs. Lueth, that the Board of Education approve the updated request to purchase of 26 Dell Optiplex 210L desktop computers per the attached quote #312506463 in an amount not to exceed \$20,980.70. Motion carried unanimously.

A motion was offered by Mrs. Whistler, supported by Mrs. Lueth, that the Board of Education approve the appointment of the following new teachers: Ms. Jennifer Baker, Ms. Jennifer Carson, Mr. Zachary Crouch, Ms. Amy Henderson, Ms. Elizabeth Hull, Ms. Erin Losik, and Ms. Karen Riggs. Motion carried unanimously.

A motion was offered by Mr. Eddy, supported by Mrs. Polderman, that the Board of Education approve the payment for Board member classes and conferences. Motion carried unanimously.

This concluded the action portion of the agenda. Mrs. Johnson then opened the meeting for comments.

Mrs. Polderman announced that although school has not started yet, the football season kicks off this Friday, as well as many other fall sports.

President Johnson reiterated Mrs. Whistler's comments pertaining to the three student deaths and conveyed thoughts and prayers to the families and friends of all the students involved in the crash. She also offered thanks to everyone that participated in the recent Portage Athletic Foundation golf outing and stated Mrs. Howland would provide an update at the next Board meeting.

Mr. Droppers, 1401 Lama, a parent and president of the Northern High Football Boosters, discussed the potential Bond Issue and a stadium at Northern High. Superintendent McFarlane responded that comments on the current concepts are still moving forward, but he appreciates the Droppers' input and continued involvement. He also stated that at the District Advisory Council meeting in May, 24 of the 32 members felt the community would not support the stadium initiative. President Johnson also commented that no decisions have been finalized, these are still draft concepts.

Initiating the reports portion of the meeting, Mrs. Lueth presented the Treasurer's Report of Bills Approved for Payment as of July 25, 2006 and August 9, 2006, General Fund bills in the amount of \$5,377,751.88, Debt 1993 bills in the amount of \$300.00, and Building & Site Fund bills in the amount of \$66,340.00, for a grand total of \$5,444,391.88.

Superintendent McFarlane commented on the loss of three young men, offering condolences and support to the families of all involved in the crash. He also thanked the Assistant Superintendent for Instructional Services, Mr. Ric Perry; Instructional Services Coordinator, Mrs. Sarah Baker; Community High School Student Services Coordinator, Ms. Dawn Gregory; principals; counselors; building staff; and Gryphon Place for their response and assistance. The Superintendent informed the audience that he received correspondence from the State Superintendent of Schools, Mike Flanagan, indicating we should be prepared to do both ACT and MEAPS because we will not know the state standards until sometime in November or December. Superintendent McFarlane discussed the continuing development process and revisions of concepts by the District Advisory Council (DAC) and stressed – no decisions have been made.

Our plan is to discuss feedback from the DAC members that have shared information with their buildings, revise the building lists, and share concepts with the community to solicit input via the Portage Gazette (page 5), community update newsletters, and community meetings.

A Board Committee report was given by Mr. Eddy regarding the Facilities and Technology Committee.

The Assessment and Student Information Director, Mr. Dan Vomastek, presented an update on the survey given to the 2006 graduates. He explained this same group of students will be contacted again after their first year of college to assess how well they were prepared for college. Mr. Vomastek reported 84% of the students from Central High, Northern High, and Community High participated in this survey and he also shared the following survey results: 83% felt they were well prepared for college; 90% said they will continue with college; 97% said they felt safe at school. Mr. Vomastek will share more data next Spring, once the class of 2006 has been through their freshman year of college.

A brief legislative update was received from Superintendent McFarlane relating to the Governor signing the budget. He also offered thanks to the Director of Curriculum and Professional Development, Ms. Denise Bresson; and the Assistant Superintendent for Instructional Services, Mr. Ric Perry for testifying before the Senate Finance Committee, which could result in a \$50,000 grant to assist with the MYIBP (Middle Years International Baccalaureate Program).

There being no further business to come before the Board, the meeting was adjourned at 8:20 p.m.

Respectfully submitted,

Edna Kent  
Recording Secretary